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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

In the Matter of)	
)	
Federal-State Joint Board on Universal Service)	CC Docket No. 96-45
)	
Access Charge Reform, Price Cap)	
Performance Review for Local Exchange)	CC Docket Nos. 96-262, 94-1, 91-
Carriers, Transport Rate Structure and)	213, 95-72
Pricing, End User Common Line Charge)	

COMMENTS OF U S WEST, INC.

U S WEST, Inc. ("U S WEST") hereby submits its Comments in response to the Second Further Notice of Proposed Rulemaking issued by the Federal Communications Commission ("FCC" or "Commission") herein.¹

In its Universal Service Order,² the Commission adopted a proposal by the joint board to provide Lifeline customers with toll-limitation services at no charge; such services include voluntary toll blocking (by which customers may block toll calls) and toll control (in which customers limit in advance the level of their toll

¹ In the Matter of Federal-State Joint Board on Universal Service; Access Charge Reform, Price Cap Performance Review for Local Exchange Carriers, Transport Rate Structure and Pricing, End User Common Line Charge, CC Docket Nos. 96-45, 96-262, 94-1, 91-213, 95-72, Second Further Notice of Proposed Rulemaking, FCC 97-317, rel. Sep. 4, 1997 ("NPRM"). Due to the fact that no headings are used in these Comments a Table of Contents is not included herein.

² In the Matter of Federal-State Joint Board on Universal Service, CC Docket No. 96-45, Report and Order, 7 Comm. Reg. (P&F) 109 (1997), appeals pending sub noms. Texas Office of Public Utility Counsel, et al. v. FCC, Nos. 97-60421, et al. (5th Cir.).

usage).³ On the same day, the Commission adopted its Access Reform Order,⁴ in which it imposed a flat-rated presubscribed interexchange carrier charge ("PICC") on all interexchange carriers ("IXC"), except that the Commission will allow local exchange carriers ("LEC") to collect the PICC directly from end users who do not presubscribe to an IXC.⁵

In this proceeding the Commission proposes to issue rules for the handling of the PICC with respect to Lifeline customers who elect toll blocking. Specifically, the Commission proposes to waive the PICC for such customers, and to allow the LECs to recover the amounts they thereby forego through the low-income program of the federal universal service support mechanisms.⁶

U S WEST supports the Commission's proposal, so long as the Commission implements appropriate procedures for Lifeline reimbursement.⁷ It is consistent with the Commission's stated goal of expanding Lifeline Assistance to reduce the charges paid by low-income customers thus enhancing universal service. It will, moreover, encourage low-income customers to select toll blocking by lowering the

³ Id. at 222 ¶ 385.

⁴ In the Matter of Access Charge Reform; Price Cap Performance Review for Local Exchange Carriers; Transport Rate Structure and Pricing; End User Common Line Charges, CC Docket Nos. 96-262, 94-1, 91-213, 95-72, First Report and Order, 7 Comm. Reg. (P&F) 1209 (1997), appeals pending sub noms. Southwestern Bell Telephone Company, et al. v. FCC, Nos. 97-2618, et al. (8th Cir.).

⁵ Id. at 1237-41 ¶¶ 91-105.

⁶ NPRM ¶ 5.

⁷ The Commission has not yet stated how Lifeline reimbursement will flow from the Universal Service Fund to the service providers. If the procedures guarantee dollar-for-dollar reimbursement for inter- and intrastate Lifeline discounts and for the


cost to the consumer of that election. Recovery of the foregone revenues through the universal service mechanism is competitively neutral, particularly considering the relatively minor amounts involved.⁹

As U S WEST reads the Commission's proposal, it would apply only to low-income customers who select voluntary toll blocking, as distinguished from customers who select toll control.⁹ The latter customers will continue to have the ability (albeit limited) to make interexchange calls, and the rules ordinarily applicable to the PICC should apply to them. The Commission might wish to clarify this to preclude any confusion on the matter.

Respectfully submitted,

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September 25, 1997

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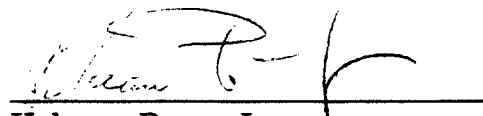
waiver of charges such as PICC, U S WEST fully supports the Commission's proposal to waive the PICC and reimburse providers from the fund.

⁹ The present annual impact of the Commission's proposal on U S WEST would be a bit less than \$100,000; that figure might grow to \$150,000 in the future.

⁹ In a Petition for Reconsideration filed July 17, 1997, U S WEST asks the Commission to clarify its definition of toll limitation to include toll blocking or toll control, but not both. The implementation of toll control is both inefficient and impractical, but to the extent a provider does offer toll control, the PICC waiver should not apply.

CERTIFICATE OF SERVICE

I, Kelseau Powe, Jr., do hereby certify that on this 25th day of September, 1997, I have caused a copy of the foregoing **COMMENTS OF U S WEST, INC.** to be served, via first class United States Mail, postage pre-paid, upon the persons listed on the attached service list.


Kelseau Powe, Jr.

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